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Advertising Age

July 16, 1990

Crain's International Newspaper of Marketing • $2.00 • $2.50 in Canada • £3.50 in U.K.

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MasterCard turns up heat

By John McManus
and Kate Fitzgerald

MasterCard International, eager to boost declining market share, is launching a major promotion that will give its cardholders a discount at seven retailers in the fourth quarter.

"This is a critical step in reinforcing our mainstream position. . . . We definitely see a long-term potential with this program."

Those retailers are Toys "R" Us, K Mart Corp., Montgomery Ward & Co., Casual Corner, B. Dalton Bookseller and Musicland Group/Sam Goody.

In October and November, MasterCard will offer discounts on selected merchandise at the checkout counter when the card is used in conjunction with a coupon available at the store or through a MasterCard billing statement insert.

MasterCard is expected to unveil plans of the "MasterValues" promotion today and will support the effort with more than $10 million in a special holiday advertising campaign via Lintas:New York.

"Up to this point, MasterCard's been holding its own in second place rather diplomatically, but it looks like they're getting far more aggressive now," said Kurt Peters, editor of *Credit Card News*.

Elements of the "MasterValues" program include up to 20% savings on leading book titles in the holiday cooking, children's and reference departments at B. Dalton; 20% savings on purchases of $50 or more at 760 Casual Corner stores; and savings of up to

(Continued on Page 42)

Waxman asks vote on anti-tobacco bill

By Steven W. Colford

WASHINGTON—Rep. Henry Waxman (D., Calif.) last week shocked the ad industry by announcing he will ask his 23-member House Health & Environment Subcommittee to vote on his anti-tobacco proposal within two or three weeks.

H. Waxman

The bill is the most comprehensive anti-tobacco advertising measure ever considered by Congress.

Advertising industry officials say they think they have the votes to defeat the bill in subcommittee. But Rep. Waxman's intent to press for a vote ignited speculation that he might agree to jettison parts of the proposal to win votes.

"It will be a close vote, but it's important to have the committee members record their views on this issue for their constituents," Rep. Waxman said.

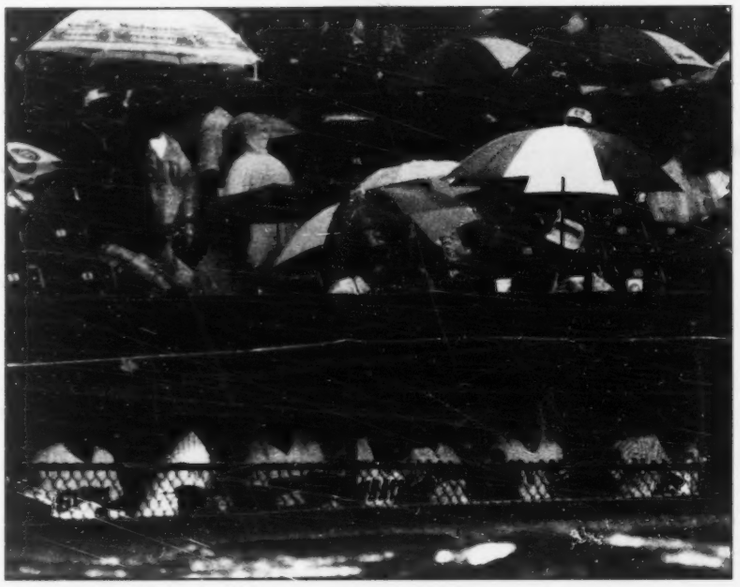
"I'm not sure what to make of it," said Dan Jaffe, exec VP of the Association of National Advertisers and a former Senate committee aide. "Maybe he thinks he has the votes, although that is inconsistent with what we've been told when we've polled members. . . . Or perhaps he wants to get people on the record to see if what they say behind the scenes is consistent with how they vote."

Mr. Jaffe also speculated that Rep. Waxman might want a vote because at least three sympathetic subcommittee members won't be back in 1991, "or maybe he's offered deals to people on their bills and is calling in IOUs now."

Key provisions of the bill would drastically alter how tobacco products are advertised and could amount to a de facto ban on ads for the entire category. It would:

- Bar models, imagery, cartoon characters,

(Continued on Page 42)



John Konstantaras/The Daily Herald

Rain delays during the All-Star Game didn't help CBS produce blockbuster ratings.

CBS 'Dream Season' looks like washout

By Wayne Walley
and John McManus

The CBS "Dream Season" is starting to stack up as a ratings nightmare.

The network's $3.6 billion lineup of premier sporting events, from January's Super Bowl to last week's baseball All-Star Game, hasn't been the blockbuster CBS had hoped for.

Media buyers agree that the network can't be held responsible for the streak of blowouts, mismatches and rain delays that have hurt ratings for the live events, but they quickly add that the poor performances mean CBS' sports gamble will lose a lot of money.

Rival networks estimate CBS will lose $100 million each year of its four-year baseball contract alone.

"There's not enough red ink in New York for CBS," an agency executive said. "It's been the luck of the draw. Who knew they would have to take it on the chin with so many events this year? They will take a bath on baseball and not do much better with football either."

The CBS "Dream Season" of sports telecasts in 1990 includes Super Bowl XXIV and Sunday National Football League telecasts; the Professional Golf-

(Continued on Page 42)

LAST MINUTE NEWS

Swatch taps Saatchi

BIEL, Switzerland—Swatch Watch International named Saatchi & Saatchi Advertising, London, to handle its estimated $20 million second-half 1990 campaign. An agency of record for the new $35 million worldwide account will be named by yearend, said Raymond Zeitoun, president of SMH U.S., a division of Swatch parent SMH. ASGS/BBDO, Zurich, is also a finalist in that review. It was a good week for Saatchi: In the U.K., the agency picked up Royal Insurance, Liverpool, for a new $18 million corporate awareness campaign; Racal Electronics' Orbitel cellular radio division, Wockingham, for a new $7 million pan-European account; and L.A. Gear's new $6.8 million footwear account on the Continent.

Lunch Bucket goes low-cal

PHOENIX, Ariz.—Dial in October is expected to introduce nationally Light Balance, a low-calorie extension of its Lunch Bucket shelf-stable, microwaveable line. Bozell, Dallas, will handle.

P&G leads net spending

NEW YORK—Procter & Gamble was tops among Big 3 network TV advertisers for first quarter 1990, spending $134.3 million, or 39% more than for the same time a year earlier, according to Broadcast Advertisers Reports. General Motors, 1989's top network advertiser, was second, spending $133.7 million, up

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Nike multiplies its success with the latest Bo Jackson spot, writes Bob Garfield on Page 44.

What's ahead for Martin Sorrell's WPP P. 4 • **Media moguls line up to enter Eastern Europe** P. 27

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■ **MasterCard** will tie in with seven retailers to offer cardholders discounts during the fourth quarter. 1

■ **CBS' "Dream Season,"** the network's $3.6 billion lineup of major sports event telecasts, hasn't been a ratings blockbuster, but CBS says the "big event" strategy will reap promotional benefits. 1

■ **Burger King Corp.,** set to test sales of Domino's pizza in Burger King outlets, may add other brand name products to its menu. Frozen yogurt could be next. 3

■ **General Mills** will put a new hot cereal on the market this fall: Undercover Bears, instant oatmeal that dissolves in hot water to reveal bear-shape fruit snacks. 3

■ **Dentsu's U.S. unit,** DCA Advertising, named C. Ray Freeman its chief operating officer as it attempts to build a U.S. client base. 3

■ **Eastern Airlines'** new commercial, featuring trustee Martin Shugrue fielding insults from former customers, is being called "gutsy," but some question its chances for success. 4

■ **N W Ayer** Chairman Jerry Siano denied a published report that his agency is considering going public. The report stemmed from an interview with Ayer's new chief financial officer. 4

■ **Taxpayers for Common Sense,** backed by various alcoholic beverage interests, will spend an estimated $10 million on ads to oppose a California initiative that would greatly increase alcohol taxes in the state. 12

■ **Fragrance marketers** plan to introduce a number of new products next fall to spur lagging sales. Revlon leads the pack with three items—Unforgettable, Guess and the Bill Blass Fragrance Collection. 14

■ **Benetton** will introduce color cosmetics kits under the Beaute Benetton banner in its stores in September, and plans to eventually roll out the cosmetics and its fragrances to department stores. 14

■ **Selective binding programs,** allowing magazines to tailor ads or editorial to a specific group of subscribers, are being planned by a number of major publishers. 15

■ **Joe Kennedy** says health warnings in alcohol ads are more appropriate than legislation to ban such advertising. A hearing on Rep. Kennedy's bill requiring such warnings is set for July 18. 16

■ **Eastern Europe's** media industries are seeking Western money and know-how as they move out of the propaganda business, and some of the world's major media powerhouses are interested. 27

■ **"Jetsons: The Movie" tie-ins** include Jetsons cereal from Ralston Purina Co. and Jetsons Cosmic Candies from Warner-Lambert Co. as the $62 billion U.S. licensing industry continues to surge. 43

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Vol. 61, No. 29—ADVERTISING AGE (ISSN 0001-8899) is published weekly by Crain Communications Inc. at 740 Rush Street, Chicago, Ill. 60611-2590. Second-class postage paid at Chicago and additional mailing offices. Send address changes to ADVERTISING AGE, Circulation Department, 965 E. Jefferson, Detroit, Mich. 48207. $2.00 a copy, $76 a year, $127 two years. Add $126 per-year for air delivery to Europe & Middle East. Add $54 for surface mail to all other foreign countries. WILLIAM STRONG, VP-circulation; DAVE KELLEY, circulation manager. Four weeks' notice required for change of address. Address all subscription correspondence to Circulation Department, Advertising Age, 965 E. Jefferson, Detroit, Mich. 48207; 1-800-992-9970. Microfilm copies are available from University Microfilms, 300 N. Zeeb Rd., Ann Arbor, Mich. 48103. Microfiche copies are available from [illegible] Howell, Micro Photo Division, Old Mansfield Rd., Wooster, Ohio 44691. AD Auic is available for electronic retrieval on the NEXIS® Service, Mead Data Central, Inc., P.O. Box 933, Dayton, Ohio 45402 (800 227-4908).

Goodby, Waring capture Heublein

By Patricia Winters and Alice Z. Cuneo

Heublein, traditionally handled by major national agencies, has assigned an estimated $15 million to $17 million in billings to Goodby, Berlin & Silverstein and Waring & LaRosa.

San Francisco-based Goodby won the bulk of Heublein's loose account, getting an estimated $12 million and $15 million in billings.

Goodby won Finlandia imported vodka, the Jose Cuervo line and other tequilas, and Heublein Cocktails. The agency also won Heublein's fine wine group, including the Inglenook, Christian Brothers, BV and Baron Phillippe de Rothschild labels, and its jug wine group of Almaden and Lancer's.

All of that business, plus Christian Brothers brandy, was previously at Young & Rubicam, New York (AA, March 19).

Waring & LaRosa won the Christian Brothers brandy account, which is expected to bill about $2 million.

Ironically, it was Goodby's work on Christian Brothers wine and brandy that led Heublein to the shop. Goodby had the account for several years, but when Heublein acquired the Christian Brothers brand last year, it consolidated by moving its accounts to Y&R. Goodby, however, made enough of an impression with Heublein to win tequila products business.

For the San Francisco agency, the win brings its billings close to $70 million. It also marks a significant move into the national arena by the award-winning creative shop.

Heublein couldn't be reached for comment at press time.

The move to the two smaller shops is unusual for Heublein, whose other primary agency is giant McCann-Erickson Worldwide.

But it's typical for Grand Metropolitan's International Distillers & Vintners, Heublein's parent since 1985, which has proved to be a great believer in linking with smaller shops.

International Distillers & Vintners' Carillon Importers hooked up with TBWA a decade ago for the successful introduction of Absolut vodka, while its Paddington Corp. uses Geer, DuBois and boutique Grace & Rothschild.

For the San Francisco ad community, the win marks the second time in two months a major piece of ad business has left New York for the Bay area. Last month, Foote, Cone & Belding's San Francisco office picked up the $32 million Nintendo of America business from McCann-Erickson, New York.

Also, Dole Food Co., now at Backer Spielvogel Bates, New York, is considering a number of San Francisco ad agencies, including Goodby and Hal Riney & Partners, for an umbrella campaign.

The move appears to reverse a late 1980s trend, as a number of accounts left the Bay area primarily due to mergers and to a number of company headquarters leaving San Francisco. □

DCI mulls sell-off switch

'Woman's Day' sale may instead be 'Memories'

By Scott Donaton

NEW YORK—Diamandis Communications Inc. plans to step up efforts to sell its popular *Memories* and might pull *Woman's Day* off the block if it doesn't get its asking price, DCI sources say.

DCI put *Woman's Day* up for sale in mid-May. The sale of the women's service book and the 21 *Woman's Day Specials*—a group of single-topic titles—was originally expected to generate between $200 million and $250 million.

The deadline for bids has been extended, but if *Woman's Day* is not sold or is sold for less than $200 million, it could increase pressure on DCI to sell *Memories*, a fast-growing 2-year-old nostalgia/news magazine.

The subsidiary of France's Hachette recently approached Time Warner about buying *Memories* in a joint venture with its editor and publisher, but Time Warner executives decided against the acquisition (AA, June 18).

DCI had planned to wait until after the *Woman's Day* sale to make a decision on *Memories*, but a DCI source said several publishers have expressed interest in the title and that DCI now plans to increase its efforts to find a buyer.

Memories will increase frequency to monthly from every-other-monthly with its October issue. It's expected to raise its rate base 33% to 800,000 next year.

The *Woman's Day* sale was designed to cut Hachette's estimated $400 million U.S. debt in half and allow DCI to focus on special-interest magazine publishing. When the title was put up for sale, DCI President-CEO Peter Diamandis expected a deal to be cut within six to eight weeks (AA, May 21).

Lack of buyer interest in *Woman's Day* may force Diamandis Communications Inc. to put more effort into selling the successful *Memories*.

But sources say investment banker Veronis, Suhler & Associates, which is handling the deal, was forced to extend its original mid-June deadline for bids because interest in the title wasn't as strong as expected.

Hachette is now seriously considering not selling the magazine if its asking price isn't met, sources say. The company is expected to make that decision as early as next week.

"In the negotiating process, it's not over until it's over," said a source close to *Woman's Day*. "We probably won't have any idea of what's going on for at least a week and a half. Veronis is still taking bids. But if [Hachette] doesn't get the money, they won't sell it."

Mr. Diamandis couldn't be reached for comment last week. Veronis executives have refused to comment while negotiations are ongoing.

The biggest names in magazine publishing were mentioned as possible bidders when *Woman's Day* was put on the block. But sources said several balked at DCI's high asking price and the investment of time and money the magazine needs. The magazine, published 15 times a year, has seen ad pages and circulation fall in recent years.

Bauer Publishing, for example, is still mentioned in publishing industry circles as a possible buyer. But company sources say it's no longer involved in the negotiations.

Among the companies still named as possible buyers: Cahners Publishing Co., Hearst Corp., Meredith Corp., Reader's Digest Association, MacFadden Holdings and U.K.-based Maxwell Communications.

"I think it's going to be a slow process," said one publishing executive, who said his company is "on the fringes" of the bidding. "They're still collecting bids. I don't think there are a lot of players."

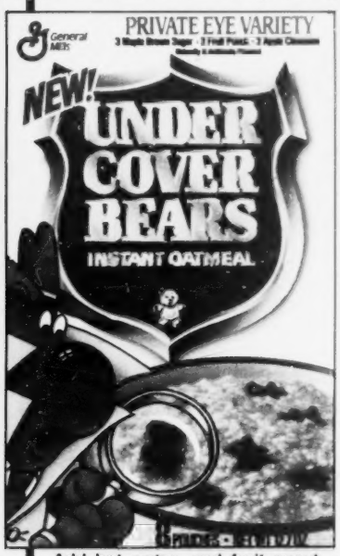
Woman's Day posted operating profits of $25 million last year, DCI says. That figure is expected to drop this year, largely due to softness in magazine ad spending and a decline in single-copy sales. The magazine's overall circulation fell 15.6% to 4.7 million in the last six months of 1989, compared with the same period a year before, according to Audit Bureau of Circulations figures. Ad pages were down 18.1% to 636.74 through May, according to Publishers Information Bureau figures. Ad revenues dropped 17.8% to $45.6 million. □

General Mills' new oatmeal is a cover-up

By Julie Liesse

General Mills is already putting its gloves on for winter as the marketer prepares to introduce its newest hot cereal—Undercover Bears.

The company in September will roll out the lumpy instant oatmeal. When the lumps dissolve in hot water, chewy, flavored bears are revealed.



Add hot water, and fruit snack-type bears pop up in General Mills' Undercover Bears instant oatmeal, rolling out this fall.

The introduction underscores General Mills' commitment to a kids-oriented marketing strategy in hot cereal. This is the company's first new cereal in two years, except for Benefit and Raisin Oat Bran, two adult brands that have been discontinued.

Undercover Bears contains plain oatmeal with bears in four varieties: strawberry, maple brown sugar, a Private Eye pack of three flavors (apple cinnamon, fruit punch and maple brown sugar) and a Super Sleuth Assortment (cherry, cinnamon spice and strawberry).

The texture of the bears is similar to General Mills' fruit snack products.

Packaging and advertising will play up detective imagery, sources said; on the box is a dog investigating the cereal a la Sherlock Holmes.

An estimated $10 million network and spot TV campaign from Campbell-Mithun-Esty, Minneapolis, will run from September through March, the traditional hot cereal season. Couponing and direct mail product samples will support.

Two years ago, General Mills targeted kids with Oatmeal Swirlers in an effort to bolster its lackluster entry into the $750 million hot cereal category. The move paid off; Swirlers has more than a 5% share, compared with 3% for Total oatmeal, the company's first cereal in the category.

"After stumbling with Total [oatmeal], they have found a nice little niche in hot cereal with Swirlers," said one cereal executive. "Given the strength of their media packages to reach kids, and the General Mills heritage, it's a niche that makes sense for them."

General Mills is third in the hot cereal category with more than an 8% share, trailing Quaker Oats Co.'s 61% and Nabisco Brands' 15%. □

Burger King attacks Big Mac with brands

By Scott Hume and Ray Serafin

Burger King Corp. is upping the ante in its battle to gain ground on fast-food market leader McDonald's Corp.

The No. 2 hamburger chain is looking to add brand name products to its mix of offerings, chain sources said.

Burger King last week said it will start testing branded Domino's pizza in four Burger King units in Columbia, S.C., in September. The Domino's test is planned to run for a year, while the two chains decide whether to expand it. Domino's is the No. 2 pizza chain behind PepsiCo's Pizza Hut.

But that's just the beginning. A likely next candidate is frozen yogurt, chain sources said. McDonald's, the largest quick-service restaurant chain, added frozen yogurt at its stores earlier this year as it continues to test pizza at upwards of 200 of its stores.

"We know if we don't work with Burger King, one of our pizza competitors might."

Officials of TCBY, the No. 1 frozen yogurt chain, said they've had no discussions with Burger King about a joint effort; No. 2 I Can't Believe It's Yogurt said they're discussing ventures with fast-food chains but not Burger King.

Burger King is also deciding whether to conduct similar tests with other branded menu items, chain sources said.

"We know if we don't work with Burger King, one of our pizza competitors might," said Burke Cueny, director of marketing for Domino's Pizza's newly created Pizzazz unit, which will oversee the Burger King test.

While not confirming an interest in a frozen yogurt test, a Burger King spokesman said the chain "is always looking at options and we have not ruled any out. We have been very active in developing cross-promotions and intend to continue to do so."

Burger King added Newman's Own salad dressings to its offerings last May, and the chain last

(Continued on Page 39)

Dentsu hires American

Freeman's job: Bigger U.S. presence for DCA

By Jon Lafayette

NEW YORK—Dentsu, the world's biggest ad agency, took an unusual step toward boosting its U.S. profile last week by hiring an American, C. Ray Freeman, to be chief operating officer of DCA Advertising.

Mr. Freeman is one of six executives who led the March 1988 walkout from Lord, Geller, Federico, Einstein to form Lord Einstein O'Neill & Partners, where he was exec VP-chief operating officer. In his new job, Mr. Freeman said, he will concentrate on building a U.S. client base for Dentsu, which "definitely wants to become a force in American advertising."

Acquisitions, he said, haven't been discussed as a way of beefing up the shop.

DCA has never been regarded as a serious agency presence here, but Dentsu executives in Tokyo are stressing the importance of building non-Japanese ad revenues quickly.

At DCA, Mr. Freeman, 47, will also be responsible for day-to-day operations here and for the office's biggest account, Canon USA's $40 million office

(Continued on Page 41)

Doug Goodman

C. Ray Freeman joins Toshio Naito at DCA Advertising.

Microwave-only food market loses steam

By Julie Liesse

Weak or poorly positioned products have zapped the strength of the microwave foods market, grocery marketers say.

Once seen as the wave of the food industry's future, sales of microwave-specific products are slumping in category after category.

The novelty of such new products fascinates consumers, but sales rapidly fall off when they don't meet consumer needs.

Here are some recent sales trends: microwave dessert mixes down 32.3%; microwave instant potatoes down 31.6%; microwave frozen pizza down 16.6%; microwave frozen pies down 5.9%; microwave bacon down 5.5%.

These figures for the year ended March 23 are from Arbitron/SAMI, which reports that all those products underperformed relative to their overall product categories.

In addition, virtually all categories of microwave-specific frozen vegetables were down, and sales of microwaveable frozen potatoes—including the much-ballyhooed microwave french fries—were down 6.4% in the first quarter of 1990, though the frozen potato category was up overall.

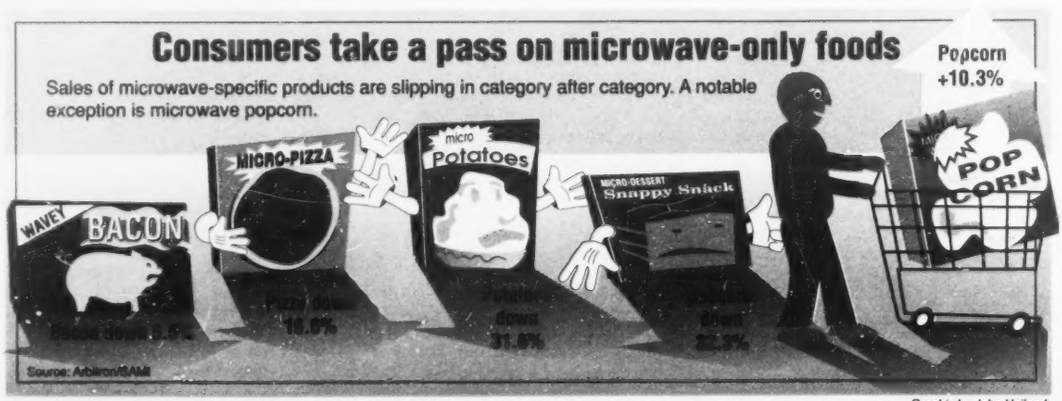
Although overall sales of microwave foods rose 9.7% last year to $2.3 billion, executives are questioning the long-term potential of microwave products.

"Quality is the problem," said Jim Watkins, chairman-ceo of Golden Valley Microwave Foods and father of the microwave popcorn industry.

"Many of the products that got on the microwave bandwagon were 'soft conversions' of existing products—putting on trick packaging that yielded a lot of products that were microwaveable," Mr. Watkins said. "But many failed to deliver what the consumer has been looking for."

Other executives say quality is only one problem. Food marketers face a more knowledgeable microwave owner who demands significant time savings from using the microwave oven and is wary

(Continued on Page 40)



Graphic by John Heiland

NEWSWATCH

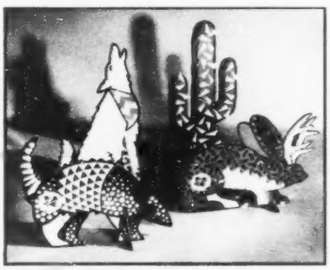
■ **Louisiana** is expected to increase its tourism media budget 269% to $9.6 million from $2.6 million for fiscal 1991 ending June 30. The state Legislature passed a bill allocating 0.03% of the state's sales tax revenue for tourism advertising; Gov. Charles "Buddy" Roemer III is expected to sign the measure. Sides & Associates, Lafayette, is the agency of record.

■ **ChemLawn Services Corp.** settled a 1988 lawsuit filed by the New York state attorney general and agreed to end claims in New York that its lawncare treatment is "safe" or "non-toxic." ChemLawn paid the state $100,000 in legal costs, but admitted no wrongdoing and said it hasn't made those claims since 1987. Ketchum Advertising, Philadelphia, now handles; the advertising in question was produced in-house.

■ **Owners of the "Chicago Observer"** threatened legal action against Chicago if the City Council follows a committee's lead in approving an ordinance that would limit the size of newspaper vending boxes and racks and prohibit ads on them. The ordinance would eliminate 600 vending boxes for the new free weekly; the boxes carry 4-by-5-foot ads (AA, July 2, *et seq.*). No date for the council's vote has been set.

NEW CAMPAIGNS

■ **Miller Brewing Co.** continues concentrated marketing in Texas with a wildlife promotion for Miller Genuine Draft beer. Point-of-purchase cardboard cutouts shaped like an armadillo, a cactus and the mythical jackalope will sell for $2 through summer. Louis London Advertising, St. Louis, handles the promotion. Meanwhile, Miller is introducing Genuine Draft Light in Maryland, its first East Coast site. Genuine Draft Light was rolled out in 10 Western states in April after testing in Kentucky, Ohio, Tennessee, Texas and Wisconsin, where it remains. Backer Spielvogel Bates, New York, handles Genuine Draft and Genuine Draft Light.



Miller takes Texas wildlife indoors, selling colorful point-of-purchase cardboard cutouts.

■ **The Massachusetts Department of Public Health** pulled out of a $94,000 transit and outdoor campaign for AIDS prevention because ads mention condoms. English and Spanish ads breaking in August advise readers to "Put a condom between you and AIDS." The department helped plan the campaign but suddenly withdrew after delaying poster production for a month while it reviewed the copy. The effort will run as scheduled, funded by the Fenway Community Health Center and other local AIDS prevention organizations. Clarke Goward Fitts Matteson, Boston, is agency for the Boston AIDS Consortium, which organized the campaign.

■ **Southwest Airlines** is running a "Play Ball With Nolan Ryan" promotion asking consumers to guess the date of the Texas Rangers pitcher's 300th career win. Fifteen grand prize winners will play ball with Mr. Ryan and receive air fare and accommodations for two for the game and $150 in cash. TV broke July 8 in 11 Southwest markets; the promotion ends Aug. 20 or the day of the 300th win. GSD&M, Austin, Texas, is the agency.

■ **Independent Bankers of Texas** on July 15 broke a $1 million-plus radio, print and outdoor campaign themed "The I's of Texas." Sachnowitz & Co., Houston, handles.

PRODUCT NEWS

■ **Mennen Co.** in October will introduce Teen Spirit antiperspirant/deodorant by Lady Speed Stick. National print and network and cable TV will support via McCann-Erickson Worldwide, New York.

■ **Bertolli USA** is introducing Robusto olive oil in Chicago, New York, Philadelphia, Washington, California, Florida and Texas. The oil is heartier than Bertolli's traditional oil but less pronounced in flavor than its extra virgin variety. No ads are planned; Lowe Marschalk, New York, handles Bertolli.

AGENCY NOTES

■ **DDB Needham Worldwide**, Troy, Mich., has bought **Baker Advertising** to expand its Detroit area client roster beyond Volkswagen of America's Volkswagen U.S. and Audi of America units. Baker brings $18 million in billings, including the Detroit Tigers and the Michigan Department of Commerce. The combined agency will operate as DDB Needham, bill an estimated $160 million and employ 110. Ernest Baker, 62, chairman of Baker, becomes chairman-ceo, a new post; DDB Needham President Robert Freeman, 51, will take on a new assignment elsewhere. DDB Needham continues its search for an executive creative director to head up creative on the national Volkswagen U.S. account, now handled in the New York office.

■ **Harris West**, Minneapolis, is the new name of Harris West Blaisdell after Chief Operating Officer Kerry Blaisdell, 43, left to start a marketing consulting shop. President-CEO Rob West, 45, said Mr. Blaisdell won't be replaced now, but the agency will replace Senior VP-Creative Director Dan Krumwiede, 46, who was fired in June.

ACCOUNT ACTION

Moroch & Associates, Dallas, has withdrawn from pitching the $7 million account of the **Texas Department of Commerce Tourism Division**, Austin, after changes were made in the bid specifications. Remaining finalists are: Incumbent GSD&M, Austin, Texas; Goodwin, Dannenbaum, Littman & Wingfield, Houston; and N W Ayer, Dallas. . . . **Point Communications**, Dallas, resigned **Bossini Marketing USA's** athletic footwear account. Point, working on a $3 million campaign to introduce the brand in the U.S. this summer, cited difficulties with Hong Kong-based Bossini International, which closed its U.S. marketing office in Dallas. . . . **U.S. Videotel**, Houston, to **Goodwin, Dannenbaum, Littman & Wingfield** from Lowe Marschalk, Cleveland (TV and direct mail), and Black, Gillock & Langberg, Houston (direct response), for the videotex service's estimated consolidated $7 million account. A TV spot breaks today featuring actor Bronson Pinchot. . . . **Western States Optical**, Phoenix, Ariz., to **Pollick & Associates** from Faber & Associates for its $3 million account. . . . **Econo Lube n' Tune**, Newport Beach, Calif., to **Scott Griffiths Associates**, Los Angeles, for creative and **KSL Media**, Seattle, for media buying, first agencies for its estimated $2 million account. . . . **Snelling & Snelling**, Sarasota, Fla., to **Group 243**, Ann Arbor, Mich., first agency for the employment service's $1.5 million to $2 million account. . . . **Polaroid Corp.**, Cambridge, Mass., to **Siboney Advertising**, New York, and **Martinez/Siboney**, Dallas, from Bermudez Associates, New York, for its estimated $1.5 million Hispanic account. . . . **Mail Boxes, Etc.**, San Diego, to **Benedict, Rubenstein & Spicer** from Phillips-Ramsey for the postal center franchiser's $1 million account. . . . **Bernard Foods**, Lafayette, La., to the **Richards Group**, Dallas, first agency for its refrigerated entrees; Bernard is eyeing a national rollout. ●

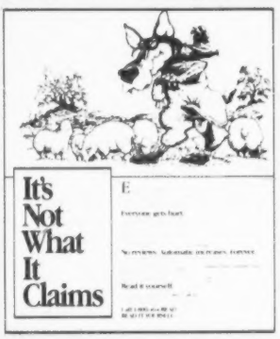
Liquor tax vote prompts ads

By Bradley Johnson

California voters, facing a November vote on the largest alcohol excise tax increase in U.S. history, are the target of an estimated $10 million ad campaign designed to derail the proposal.

The state's Alcohol Tax Act of 1990 would raise the tax on a 12-ounce can of beer, 5-ounce glass of wine or 1-ounce jigger of liquor by about 5¢. Backers say the "nickel-a-drink" measure is a user's fee that covers some of the social costs of consuming alcohol, such as alcoholism treatment, hospitals and law enforcement. Manufacturers or distributors would pay the tax.

The proposal would raise the tax on beer 1,432.5% to 57.3¢ a gallon from 4¢; on liquor 420% to $8.40 a gallon from $2; and on wine 129% to $1.29 a gallon from 1¢. The state estimates the proposal would boost alcohol excise tax revenues 461.5%, to $730 million from $130 million.



Californians are urged to vote against a tax increase.

Californians in 1988 voted to raise the state cigarette tax 350% to 35¢ from 10¢ per pack, and last month agreed to phase in a doubling of the state's gas tax to 18¢ a gallon.

In that atmosphere, Taxpayers for Common Sense is mounting a statewide TV, radio and newspaper campaign, contending approval could lead to other tax hikes. A print ad headlined "It's not what it claims" explains that the proposal requires the state to increase spending on alcohol-related programs, possibly at the expense of other social programs. TV breaks closer to Election Day; radio and newspaper ads began in June via Nelson/Ralston/Robb Communications, Costa Mesa, Calif.

The state demanded ads carry a notice that the group gets "major funding from the Beer Institute and industry, Wine Institute and Distilled Spirits Council."

The group said it raised $10.6 million in the six months ended May 31, primarily through industry contributions. While Press Director Bill McIntyre wouldn't say how much more the group expects to raise or what it will spend on advertising, a group of tax hike proponents, Alcohol Tax Initiative, expects alcohol interests to spend $15 million to $20 million on ads, close to what the tobacco industry spent in 1988 fighting the cigarette tax increase.

Alcohol Tax Initiative will rely on the media and grass-roots efforts, and may request airtime under the fairness doctrine.

"We don't have the money at this point to buy any meaningful media. I don't think we're going to raise more than $2 million, $2.5 million," said Leo McElroy, president of McElroy Communications, Sacramento, agency on the campaign. □

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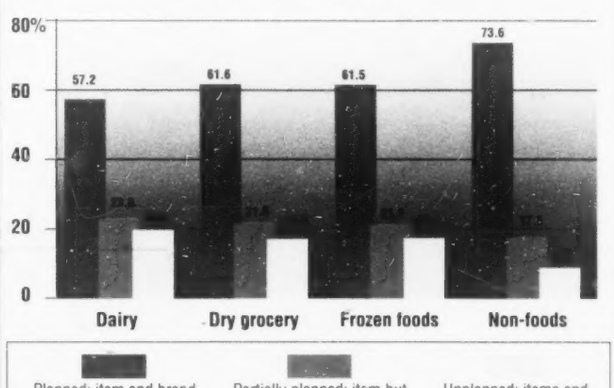
When shoppers decide what to buy

The grocery list is alive and well, with 61% of supermarket purchases planned before shoppers even visit the store. That means promotions for most products are more effective when they target consumers at home. However, with partially planned purchases (where the brand is chosen in the store), in-store support is more likely to influence brand choice.



Source: Willard Bishop Consulting

JOHN SMITHER

LETTERS

Other radio doubles

After reading James Brady's June 25 column, "I Love a Mystery" and "One Man's Family" came alive again for me, too.

But if my memory is still functioning correctly, Michael Raffeto wasn't the only one who played a double role. I believe that the actors who played Doc and Reggie also appeared as Barbours and that both programs were created by the same writer, Carlton E. Morse.

Edward I. Barz
Senior VP, Simmons Market Research Bureau
New York

It's one thing to move Mr. Raffetto's reassuring baritone from show to show, but quite another to successfully draft sedate drama one day and all-out action the next. Or maybe it was simply terrific sound effects—"Paul" tapping his pipe or "Jack" shouting over the roar of a seaplane's engine. And did we ever find out where the Barbour family's "Sky Ranch" was supposed to be located?

Jerry E. Pierce
Pierce & Strain Advertising
San Francisco

I believe Doc, played by Barton Yarborough, was a Texan, not simply a "Southerner." Barton went on to play Joe Friday's sidekick on radio's "Dragnet," and then on to the TV version until his demise. . . . Mercedes McCambridge played almost all the women's parts. There was one episode concerning three sisters, Faith, Hope and Charity, and she played all three with different voices.

Alice Koen
Nekoosa, Wis.

Include regional editions

I was disappointed with the special supplement on the Washington market (AA, June 11) and feel that you missed a very compelling marketing opportunity by excluding any reference or listing of regional editions of national magazines.

While I appreciate your space limitations, the Washington market is sufficiently important to a number of national magazines for them to maintain local advertising sales offices. In addition to *Time, Fortune, Newsweek, U.S. News & World Report* and *TV Guide*, a variety of other national magazines are represented here for the purpose of servicing and selling national, regional and local advertisers.

The combined Washington area circulation of just the magazines that maintain facilities in this market nearly exceeds the total circulation of all local/regional magazines combined.

What's more, several representatives of these magazines play an active role in the local advertising communities. . . . Their combined contributions play no small role in the overall success and prosperity of the Washington advertising community.

Perhaps future city sections of this nature should attempt to include listings of national publications that are sufficiently committed to these local markets to make substantial investments in them. In so doing you would provide your readers with a more complete presentation of media options available to them.

Hal Bonawitz
Divisional manager, *Time*
Washington

Empirical evidence?

You honor Owen Lipstein's New American Magazine Co. with the term "magazine empire" (AA, July 2). How, then, do you define Cahners, Conde Nast . . . or, indeed, Crain?

To paraphrase Voltaire, "This agglomeration . . . was not an empire in any way."

Martin Gross
Martin Gross & Friends
New York

Another survey shortfall

In your June 11 issue, a couple of letters supported Sid Bernstein's column [on phoney surveys]. . . . They point out the harm being done to the research industry by telemarketing companies disguising their sales pitches as research.

Anyone involved in this business is well aware of the increases in refusal rates for telephone surveys over the last 10 or 12 years. They not only raise the costs of research but threaten the validity of the sampling, since some members of the population are more apt to refuse than others.

Not all the blame, however, can be placed with telemarketers. Some of the responsibility for consumers' disenchantment with survey research can be traced to practices in the industry itself.

A rule of thumb many years ago was that the greatest cost in survey research was in establishing contact with a qualified respondent. Once he was on the line, we had free rein to spend 20, 25, 30 or more minutes abusing him with trivial, redundant questions about what we now realize are often simple, nearly thoughtless choices. . . . Eight attribute ratings for each of five brands may look like a single question to a client and research analyst. The interviewers and respondents who have to endure them see it as 40 tedious questions.

Piggy-backing political or social issue questions may be a cheap way for researchers to gain publicity when the results are released to the press, but only at the expense of respondents who are forced to endure extra questioning because they are too polite to hang up.

So who can be surprised about rising refusal rates? . . . After all, consumer participation is voluntary, and the quickest way to stop someone from volunteering is to abuse him for doing it.

Mark B. Traylor
Director of quantitative services
National Market Measures
Mayfield Village, Ohio

Ethnic insensitivity

Your article "Should marketers target blacks more?" (AA, July 2) gives cause for concern on how ethnic groups are perceived in the U.S.

How can a country which prides itself on being the originator of modern marketing be so insensitive to the opportunities which these cultures represent? Why this reluctance to target more effectively these growing market opportunities?

According to the Census Bureau, black Americans and Hispanic Americans together represent one out of every five persons in the U.S. How can any businessman worth his salt ignore 20% of his market and expect to maximize his profit potential? Why do we still have to debate the elementary issue of targeting ethnic groups?

Maybe we should look East for answers to these questions. Over the past 40 years the Japanese have rebuilt their country into an economic powerhouse on three basic principles: hard work, long-term planning and investment and, last but not least, *know your market*.

Will we never learn?

Martin G. Cerda
Director, Target Market Research
Miami

A negative letter

Your June 25 issue quotes me as having said, ". . . not only doesn't that not contribute . . ." I would like to make it clear that I don't never talk like that.

Bob Hoffman
Bob Hoffman Creative Services
San Francisco

Address letters to Advertising Age, *Viewpoint Editor, 220 E. 42nd St., New York 10017.*

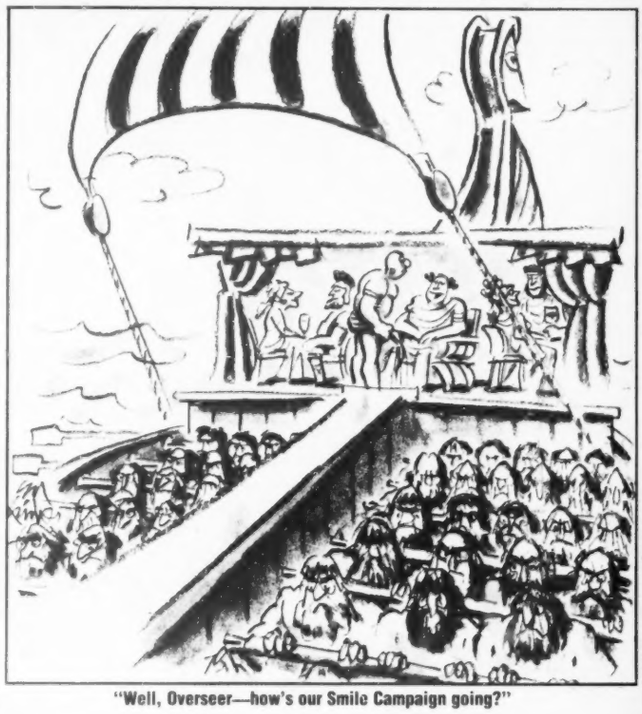
CORRECTIONS & CLARIFICATIONS

■ Straight Arrow Publishers was omitted from a listing of the "100 Leading Media Companies." Owner of *Rolling Stone* and *US*, the company's 1989 estimated net revenues of $135.9 million made it the 97th largest media company that year (AA, June 25, P. S-2).

■ Dan Mountain's title at Hill, Holliday, Connors, Cosmopulos, Marina del Rey, Calif., is exec VP-creative director, not exec VP-co-creative director as reported (AA, July 9, P. 1).

■ A statement in a story on a proposed New York state public relations tax (AA, May 7, P. 66) was incorrectly attributed to an unidentified official of the American Association of Advertising Agencies. The source quoted, who was critical of the PR industry's response to the tax, wasn't connected with the Four A's. □

FREEZE FRAME



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Babes in adland

This should be filed under "ads we can do without." Besides making the body copy hard to read, thanks to the intrusive location of the logo, the creators resorted to the oldest trick in the book—using a babe.

Like the diaper and the wedding garter, this ad is a real throwaway.

Bill Hudgins
Editorial director
Buntin Public Relations Co.
Nashville, Tenn.

PROMOTION & ACCOUNT ACTIVITY

Coupons in clover: Consumers still believe in coupons and the companies that offer them, according to a new Carolina Manufacturer's Service survey. Of 1,365 grocery shoppers polled, 85% said they believe cents-off coupons reduce their grocery bills, and 84% said products discounted through coupons are of high quality. Eight in 10 said coupons encourage them to try new brands; seven of 10 said coupons give them an incentive to stock up on products they usually buy. M/A/R/C, Dallas, conducted the phone survey.

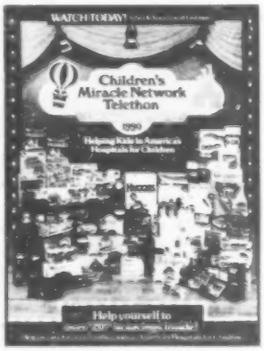
Ford revamps rebates: Ford Motor Co. is testing dealer-only rebates on selected Mercury car lines in New England, New York and New Jersey, *Automotive News* reported. If results are good, dealer rebates may replace direct-to-customer rebates at Ford. Ford is giving dealers $300 to $1,500 on some 1989 and 1990 models based on performance against quota. Young & Rubicam, Detroit, handles Lincoln-Mercury and its dealer ad groups.

Shaving Knicks: Mennen Co. has signed New York Knicks star Patrick Ewing to appear in point-of-purchase material for Afta brand, sponsor of the "Three-On-Three Basketball Challenge" running June to September 1991. Consumers are invited to sign up to play in the tournament; Los Angeles Lakers star James Worthy, Atlanta Hawks star Dominique Wilkins and Mr. Ewing will play the tournament's best team to conclude the promotion. ProServ, Arlington, Va., is organizing the tournament, playing in Atlanta, Chicago, Los Angeles, New York and two undisclosed cities. ProServ handles ad support and is seeking additional sponsors.

Pending and in play: **Excelsior Wine & Spirits**, a unit of Banfi Vintners, is giving away a vineyard estate in Chile as part of a promotion breaking Aug. 1 for Concha y Toro Chilean wine. The grand prize winner of a random drawing will get a 10-year lease to a 1-acre vineyard in Chile's Maipo Valley wine region, an all-expense-paid trip to the vineyard and 10 cases of premium Cabernet Sauvignon with a label bearing his name each year for 10 years. Christopher Thomas Associates, Garden City, N.Y., handles. . . . **Arby's** hopes to raise $2 million this summer for the Big Brothers/Big Sisters organization with its annual fund-raising promotion. Coupon books offering more than $30 in savings are sold for $1 in Arby's restaurants, with net proceeds going to Big Brothers/Big Sisters. Some coupons are from Coca-Cola USA and Pepsi-Cola Co., even though Arby's parent Chesapeake Financial Co. owns Royal Crown Cola Co. W.B. Doner & Co., Baltimore, handles. . . . **G. Heileman Brewing Co.** next month starts a sweepstakes for Old Style beer; prizes include seats from the White Sox's Comiskey Park, which is being demolished after this baseball season. Entrants get a poster commemorating Comiskey Park's history. Della Femina, McNamee, Pittsburgh, handles. . . . **Anheuser-Busch Cos.' Sea World of Florida** has lauched a new blimp painted to resemble the park's star attraction, Shamu the killer whale, under a contract with Airship International. A-B will use the blimp to promote Sea World in Florida and the Northeast.

Imagine the splash when it lands.

CASE STUDY: Children's Miracle Network



Case Study summarizes the results of a recent promotion.

- **Who:** Children's Miracle Network, a national fund-raising non-profit organization, and nine marketers: Clorox Co., Eveready Battery Co., GTE Corp., Hershey Foods Corp., Johnson & Johnson, Kimberly-Clark Corp., Kraft General Foods, Shulton Inc. USA and 3M. Ryan Cause Marketing, Westport, Conn., developed and executed the full promotion; Quad Marketing, New York, placed the free standing insert. Marketers paid Ryan a participation fee averaging $25,000.
- **What:** Children's seventh annual telethon, designed to raise money for the 160 children's hospitals in the U.S. A 26-page FSI mailed to 50 million households carried $20.00 worth of coupons for 88 brands, averaging 40¢ in value. For each redeemed, marketers made a donation to the charity, up to $250,000 per category. Retailers including food, drug and mass merchandisers displayed in-store ads in 36,000 stores.
- **When and where:** The telethon was broadcast live from Disneyland June 2-3 on more than 180 TV stations across the U.S. Every hour during the 21-hour telethon, on-air celebrities held up the FSI, encouraging consumers to use the coupons.
- **Results:** The fundraiser brought in $89 million, up 15.6% from 1989. About $7 million was raised via the FSI.

Source: Ryan Cause Marketing

Free standing inertia

Innovations enhance FSIs

By Alison Fahey

Package-goods marketers, facing increasing costs for free standing inserts and flat coupon redemption rates, want to spice up their FSIs.

"People are out there saying, 'How can we make our FSIs more interesting?' " said Ken Bortner, president of News America Publishing/FSI Division.

Mr. Bortner, who heads up News America's Quad Marketing and Product Movers, the leaders in the $1 billion FSI industry with a combined 60% share, said the company has "10 different creative proposals in front of major advertisers like Nabisco and Procter & Gamble."

News America in November will introduce a program that affixes product samples to FSIs carrying cents-off coupons. An undisclosed major advertiser has signed up for an FSI drop reaching 50 million households, Mr. Bortner said.

Another new approach replaces cents-off coupons with checks. North American Marketing Enterprises, a direct marketing agency specializing in package-goods data-base marketing, is seeking sponsors for Brand Cash, a program that puts checks on FSIs. The checks also have been used in direct mail and on packages.

Brand Cash checks, like cents-off coupons, are redeemed at checkout. A shopper endorses a check made out to the retailer and gets the value of the check discounted from the purchase.

Bristol-Myers Squibb Co. and a cigarette marketer are expected to participate in a November drop of 10 million FSIs carrying checks, said Carl Fergo, president of North American Marketing Enterprises.

Bristol-Myers Squibb couldn't be reached for comment.

Marketers' main benefit is higher redemption rates, 50% to 200% higher than traditional coupons, Mr. Fergo said.

The checks also offer demographic information because consumers endorse them with their name and address and on the back of the check are asked three questions about brand preference.

Marketers also are increasingly enhancing FSIs with tie-ins and 900 numbers. Tie-ins aren't new, but recently "every marketer is out there looking for an issue to tie into," Mr. Bortner said.

For example, Ralston Purina Co. on July 8 ran an FSI tied to Global ReLeaf, a reforestation project. The FSI carried $2 worth of coupons for three cereal brands and encouraged consumers to call a 900 number (for a $3 charge) to have a tree planted in their name. Callers receive an additional $7 worth of coupons.

Despite the techniques in development, some agency executives doubt FSIs will change drastically.

"I think the bolder [marketers] will do things other than straight coupons. [But] no one is going to take chances in an economy that's somewhat stagnant. . . . Most marketers won't give up the coupon," said Ron Melk, senior VP-director of creative services at Comart-KLP, New York.

Effectiveness is becoming more critical as FSI prices rise.

"When FSIs cost about 5 bucks [per page] a couple years ago, there was no reason not to do them. But as the prices come back up, we need them to be more effective," one marketing executive said.

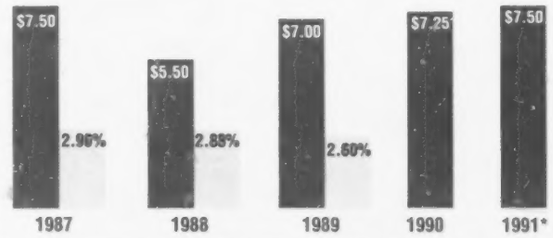
In 1991, News America/FSI Division will charge $7.50 per FSI page, up 3.4% from this year, Mr. Bortner said. Next year's price is the same as 1987 costs but significantly higher than the $4-per-page low during the 1988 FSI pricing wars, he said.

Marketers also want to stand out in a sea of Sunday coupons.

Last year, 88.7% of package-goods coupons were distributed via FSIs, up from 80% in 1988, reported the Summary Scan! division of the Advertising Checking Bureau. But redemption rates for coupons overall are flat at less than 4%, despite a 4% jump to 263 billion coupons distributed in 1989, Summary Scan! reported. □

Inflation frustration

The cost of FSIs continues to rise, while overall coupon redemption levels are flat. A typical FSI run reaches 50 million households.



Note: Coupon redemption rates for 1990 and 1991 are not available. *Projected
Sources: (Cost) News America Publishing/FSI Division; (Redemption rate) Carolina Manufacturer's Service

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Microwave

(Continued from Page 3)

of heavily packaged foods for price and environmental reasons.

Pillsbury Inc. offers a case study. When Pillsbury, a pioneer in microwave products, introduced the first microwave cake mix in late 1986, it responded to consumer requests for a quicker way to make a traditional dessert cake.

"That's what consumers told us they wanted," said Linda Keene, VP-marketing for desserts and sweet snacks. "So that's what we gave them: a conventional analog for a traditional, round layer cake."

But after initially being hailed as the product that would resuscitate the baking mix category, microwave mix sales have slumped dramatically. Sales of dessert baking mixes fell 7.2% to $718.6 million, but sales of microwave products within the category slid 32.3% to $65.4 million for the year ended March 23.

Although 70% of consumers had told Pillsbury they would use microwave cakes as a dessert, most were serving them as a snack, the company discovered. Given that, the product didn't match the consumers: Snackers didn't like the pan, which had to be greased beforehand, or the cake size, and they wanted a package that included frosting.

And they didn't buy lemon cake mixes or anything with vanilla icing—two of Pillsbury's offerings—for snacking.

Pillsbury will try again this fall, spending $15 million to sell consumers on its reformulated, repositioned microwave cake mixes, via Leo Burnett USA, Chicago.

Over the years, Pillsbury has tinkered with the cake mixes now being shipped to retailers; the product formulation has been upgraded several times and frosting packets became a staple in 1988.

Two flavors—lemon and chocolate with vanilla frosting—are being discontinued in favor of such typical snack cake flavors as carrot and banana walnut.

"We changed the product to fit the occasion," Ms. Keene said. "A cake mix plays a different role when it goes into the microwave. We didn't anticipate that."

For other marketers, the problem is "relying on 'microwaveable' as their [product's] unique product benefit," said Sandy Bredine, partner in Bishop/Bredine Associates, agency for microwave sandwich marketer Pitaria Products Co.

"Microwaveability itself doesn't make a product different," he said, "and the consumer is way ahead of marketers on this."

He and others agree the frozen microwave sandwich market is headed for a shakeout—having grown 51.5% last year to $265 million, on the strength of too many inferior products.

"We're still very optimistic about where the microwave food market is going, but we do have questions about the total size of the market. It's not as big perhaps as we originally thought," said Blaine Jacobson, director-marketing for J.R. Simplot Co.

Simplot, first out with microwave french fries under the MicroMagic name in 1985 and sandwiches and milkshakes in 1986 and 1987, has seen sales soften as a bevy of marketers entered the microwave snack foods market.

Geo. A. Hormel & Co. continues to market its New Traditions frozen sandwiches but has dropped microwaveable french fries after a disappointing test.

Quaker Oats Co. is determined to make its new microwaveable OvenStuffs frozen sandwiches a success (see story on this page). But Quaker knows it faces an uphill battle.

"Microwaveability itself doesn't make a product different, and the consumer is way ahead of marketers on this."

"There is a subgroup of people who are looking for convenient alternatives and will try anything once. Then quality becomes an issue. Tricks in the microwave are less appealing than they used to be," said Eileen Thompson, Quaker's director of marketing research for new ventures. "It's doubly hard to enter a category like frozen sandwiches, where quality perceptions are low."

Golden Valley's Mr. Watkins said, "Part of what's happening is that the microwave owner is starting to get more demanding about the products he buys, but the microwave still, by and large, represents a quality compromise."

He said—and many other executives agreed—that microwave popcorn, the standout success among microwave foods, owes its popularity to two simple facts: The microwave oven delivers a better product in terms of taste and texture, and the popcorn's inflatable-bag technology makes it easy to tell when the popcorn is done cooking.

Microwave popcorn marketers have successfully segmented the $596 million market with flavored and "light" offerings.

No. 2 microwave popcorn marketer General Mills will take that segmentation strategy one step further this summer when it launches Pop Secret Singles: boxes of five popcorn packets half the size of the current industry standard, which is 12 cups of popped corn.

In some cases, consumers—many with more than a decade of microwave experience under their belts—simply are learning how to use the microwave with "regular" products that are often less expensive.

Executives attribute some consumer disillusionment to microwave products such as Hershey Foods Corp.'s new Perfection microwave pasta, which with a cooking time of 8 to 10 minutes offers no significant time savings over most regular dry pasta.

Green Giant President Gary Klingl said the return to microwaving "regular" products is true in such categories as frozen vegetables, where the "regular" product—in this case sold in polybags—cooks and tastes nearly on a par with single-serve products labeled as microwave-specific.

In addition, "regular" products tend to avoid the appearance of overpackaging, a growing issue in some microwave product categories.

"As environmental issues are coming in, consumers want products without the extra layers of packaging—unless there really is a convenience benefit in that packaging," Quaker's Ms. Thompson said.

Despite all these concerns of product quality and convenience, price/value relationships and consumers' environmental awareness, some marketers say the microwave food industry is changing simply because it's maturing.

"Historically, the novelty of the microwave could sell a product. But now the euphoria of microwave ovens has settled down," said Barry Wegener, a public relations supervisor for General Mills.

With microwave penetration now at 85%, according to Campbell Microwave Institute, "The food industry still has many opportunities in microwave foods," Mr. Watkins said. "But they have to fit the 'Big Mac lifestyle.'"

Dial Corp.'s Lunch Buckets and Hormel's MicroCup line of single-serve, portable meals, for instance, seem to have found a niche.

Part of food marketers' optimism about the continued vitality of microwave foods is centered on children, who are growing up with microwave ovens and microwave foods designed especially for them. □

Judann Dagnoli contributed to this story.

Quaker stuffs $22M in sandwich

By Julie Liesse

CHICAGO—Quaker Oats Co. is committing $22 million to convince consumers its OvenStuffs aren't like other microwave-only sandwiches.

Quaker this fall is rolling national with OvenStuffs after a nearly two-year market test.

The line of six frozen, microwaveable sandwiches performed well in Cleveland, Denver and Pittsburgh, chalking up as much as a 20% monthly share of the frozen sandwich market, industry sources say. But Quaker spent at a national equivalent rate of $8 million in advertising, and media spending for the national launch is budgeted at just $5.5 million.

In those tests, Quaker found shoppers bought OvenStuffs on impulse, so the company has budgeted a whopping $16.5 million for trade and consumer promotions, including couponing and in-store sampling.

Media advertising includes TV and print ads from Bayer Bess Vanderwarker. The campaign, set to break on spot and network TV in October, is tagged "The great stuff you've been looking for."

Each OvenStuffs features a filling—turkey and swiss, for instance—in one of three breads: flaky turnover pastry, french rolls or pita-style bread.

OvenStuffs is the first new product out of Quaker's Frozen Foods Division, set up last month as a separate entity within the company's U.S. Grocery Products unit.

Quaker desperately wants success in frozen foods, where its only offerings to date have been Celeste pizza and lackluster products under the Aunt Jemima brand.

The frozen sandwich market—mostly microwaveable entries—grew 51.5% to $265 million for the year ended March 23, Arbitron/SAMI reported.

Although Quaker stresses that OvenStuffs has an advantage as a line designed specifically for microwaves, it will enter the market at a tough time. Most national competitors are already well-entrenched, with some executives predicting a shakeout.

In addition to market leader Hot Pockets, from Chef America, Campbell Soup Co. has just completed national rollout of Souper Combos; Pitaria Products Co. is close to national distribution with its PitaStuffs line; and Oscar Mayer Foods Corp. continues moving Zappetites into new markets.

Other national competitors include ConAgra Frozen Foods' Zap line and Geo. A. Hormel & Co.'s New Traditions. □

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